

December 10, 2021

The Honorable Michelle Lujan Grisham, Governor of New Mexico
New Mexico State Capitol
490 Old Santa Fe Trail, Room 400
Santa Fe, NM 87501

Dear Governor Lujan Grisham:


Thank you for your leadership during the 2021 New Mexico legislative session and during the ongoing pandemic. We are writing on behalf of the New Mexico Clean Fuel Coalition, which consists of a steadily expanding group of New Mexico-based, as well as national organizations, to express our strong support for the New Mexico Clean Fuel Standard (CFS) Act.

The New Mexico Clean Fuel Coalition is a broad stakeholder group of companies and associations that support the decarbonization of transportation. Our membership reflects the many diverse technologies that can deliver clean fuel solutions that reduce greenhouse gas (GHG) emissions and thereby slow climate change, improve air quality, and provide jobs and economic benefits. Our members include the full range of low carbon fuel sources and technologies including electricity, biodiesel, renewable diesel, ethanol, renewable dimethyl ether (rDME), renewable propane, renewable natural gas, direct air capture, and green hydrogen. While some of our members are providing specific recommendations relating to the draft bill language, our central message is simply that of strong support.

In a post-COVID economy, a New Mexico CFS will provide economic benefits by directly spurring technology investment in the state and creating good jobs in our state, as well as delivering economic diversification opportunities for existing New Mexico industries including forestry, oil and agriculture. An economic analysis conducted by Adelante Consulting in 2020 determined that a CFS could generate up to \$46.3M/year in investments in New Mexico decarbonization projects; an update of this analysis is underway based on the revised emission reduction goals in the draft CFS bill, and we expect the benefits to be even greater now. The CFS implements your direction in Executive Order 2019-003 to adopt market-based programs to reduce greenhouse gas emissions, and complements the State's adoption of clean car standards, which is currently in process. Enacting a CFS in New Mexico would help reduce transportation sector emissions and protect public health and the environment, by reducing an estimated 70 million metric tons of greenhouse gas emissions between 2025 and 2040.

Thank you for considering making this important piece of legislation, which enhances New Mexico's economy and protects the environment, one of your legislative priorities in the upcoming 2022 legislative session. We look forward to working with your Administration to assure New Mexico's leadership role in a global transition to clean fuels.

Sincerely,



Amy Brown
Chief Operating Officer, Adelante Consulting
Co-Chair, New Mexico Clean Fuel Coalition



Graham Noyes
Executive Director, Low Carbon Fuels Coalition
Co-Chair, New Mexico Clean Fuel Coalition

cc: Senator Mimi Stewart, President Pro Tempore
Representative Nathan Small

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